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SECURITY INFORMATION

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German Democratic Republic

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BUDGET CONTROL REPORTS (9 pp; German; [])

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The report by the Budget Control Division of the Main Administration for the Budget covers activities of the following GDR agencies during the first half of 1951:

A. Attachment A, 3 pages, dated 19 July 1951, deals with the Ministry of Heavy Industry (sectional plan 10). Under the Ministry are 7 main administrations, the subordinate office of the DHZ Schrott (German Scrap Trade Center), and about 70 subordinate schools. The receipt part of the plan was fulfilled by 92 % (reason: slow payments of net profits and corporation taxes by the centrally administered people-owned industry; ~~the~~ changes in the 1951 finance plan at a late date; and production difficulties in the building, mining, and metallurgical industries and in the DHZ Schrott.) The expenditure plan was fulfilled by 86 %. (Reason: Restriction on currency circulation.) The manner in which expenditures were handled was approved by the control unit. According to the personnel plan the organization is undermanned ~~for~~ (plan quota: 1,178; actual personnel strength: 1,003). It seems to be difficult to hire adequate low-salaried employees. The bookkeeping department was found to be in order; ~~however~~, however, the control unit requested that the Main Administration maintain separate accounts for section 130 (except for vehicles). The opening balance of 1 January 1951 shows a net worth of 470,603 DM. Service supervision is inadequate because ~~of insufficient number~~ of personnel shortages.

B. Attachment B, 4 pages, dated 19 July 1951, furnishes information similar to A above on ~~for~~ the Ministry of Light Industry. The sectional plan is subdivided: for the five main administrations (section 132), for the people-owned sector of the industry (section 205), for the Leather Institute in Freiberg, and for the Graphics Institute in Leipzig (section 337). This is the first year of operation for the Ministry of Light Industry (established 1 January 1951) and adequate comparison figures for a previous year are not available. Rough estimates were used in setting up this plan. For example, section 132 receipts were only 14 percent ~~fulfilled~~ fulfilled; expenditure plans were only 36 percent fulfilled. The underfulfillment of the expenditure plan does not represent true savings but reflects the stage of development of the new ministry. The same observations are essentially true of section 205 of the plan. Section 337 shows considerably higher receipt figures (77 percent); an overfulfillment of the plan by 70-80,000 DM is anticipated. Expenditures were 37 percent fulfilled. Savings are the result of low personnel expenditures (insufficient number of personnel). The personnel plan calls for 623 employees while the number actually employed is 450. Net assets: 558,662.68 DM. ~~There~~ An embezzlement of over 5,000 DM was uncovered. The report contains other interesting observations on the operations of the Ministry of Light Industry.

C. Attachment C, ~~about~~ 2 pages, dated 20 July 1951, contains similar information on the State Secretariat for Food, Beverages, and Tobacco. Instead of the estimated 4.7 million DM profits for the State Secretariat's operations, indications are that the figure will be only 1.3 million DM. Personnel quota: 308; actually employed: 234. The actual pay table indicates a marked shift to the lower pay scales in comparison with the planned pay table.

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